

SUMMARY SHEET

I. Description of Item

Resolution authorizes the Shelby County Division of Corrections to contract with ARAMARK Correctional Services, LLC for the management and provision of food services for the Division of Corrections. This is a change from operating food service with county employees. ARAMARK has been provided this service for the Jail since 2002. It is necessary to amend the Corrections Fund budget and position control budget for this change in the method of doing business.

ARAMARK's proposal reflects a first year savings of \$434,833 compared to the projected costs of internally staffing and operating the food service function. The General Fund's portion of this savings is \$100,000 and was included in the FY10 budget adopted on June 1, 2009. In addition, ARAMARK will provide up to \$100,000 in new equipment for the Division's two cooking kitchens.

The County currently has 32 employees assigned to food service operations. ARAMARK will give first consideration to our current employees in filling their positions and the County will follow its normal process for assisting displaced employees.

II. Source and Amount of Funding

- A. Amount Expended/Budget Line Item – \$4,704,614.00 from 956-350105-6635, Corrections Division-Contracted Food Services. The County will recover at least 75% of these funds through State reimbursement for housing state prisoners.
- B. All Costs (Direct/Indirect) – County will continue to be responsible for utilities and maintenance of the building.
- C. Additional or Subsequent Obligations or Expenses of Shelby County – Ongoing responsibility for feeding inmates.

III. Contract Items

- A. Type of Contract - Contract for management and provision of food services
- B. Terms - Initial period from July 27, 2009 to June 30, 2010 with the option to renew for two (2) additional one (1) year periods.

IV. Additional Information Relevant to approval of this item

Administration recommends approval of this Resolution.

ITEM# _____

PREPARED BY John Trusty

COMMISSIONER CHISM

APPROVED BY _____

RESOLUTION APPROVING CONTRACT WITH ARAMARK CORRECTIONAL SERVICES, LLC IN THE AMOUNT NOT TO EXCEED \$4,704,614.00 FOR THE MANAGEMENT AND PROVISION OF FOOD SERVICES FOR THE DIVISION OF CORRECTIONS, AMENDING THE FY10 CORRECTIONS FUND BUDGET, AND APPROPRIATING SAID FUNDS. THIS ITEM REQUIRES EXPENDITURE OF CORRECTIONS FUNDS IN THE AMOUNT OF \$4,704,614.00. SPONSORED BY COMMISSIONER SIDNEY CHISM.

WHEREAS, The Shelby County Division of Corrections is responsible for an average daily population of 3,200 inmates on a regular basis; and

WHEREAS, The Shelby County Division of Corrections must feed these inmates three (3) meals a day which meet both nutritional standards and satisfy their hunger since food related issues are the number one cause of inmate disturbances in prisons; and

WHEREAS, A significant number of the inmates housed at the Shelby County Division of Corrections have various work assignments ranging from Work Release and Road Department Work Lines to assisting in building and grounds maintenance for the Division, and therefore have different meal needs than sedentary detainees like those housed in the Jail at 201 Poplar; and

WHEREAS, The Division of Corrections operates with minimum custody staffing for the number of prisoners housed and must also feed its staff since they cannot be allowed to leave the facility during their shift; and

WHEREAS, The County wanted to compare its internal operating cost to that of outside providers and issued an Request for Proposal as RFP 08-003-57 with addendums. ARAMARK Correctional Services, LLC was the only response received and their proposal specified a cyclical planned menu, including portion sizes, and was based on a cost per meal served; and

WHEREAS, After a thorough review of ARAMARK's proposal was made and their expected billings projected and compared with the county's internal projected costs for FY10 based on estimated population levels, ARAMARK was chosen as the lowest and best method of providing food service for the Division; and

WHEREAS, The County will work with ARAMARK to place as many of its food service personnel as possible and will also seek to place displaced employees in other positions within county government for which they are qualified; and

WHEREAS, The Operating Budget for FY10 was adopted on June 1, 2009 with the General Fund's \$100,000 savings included. The operating budget for the Corrections Fund will need to be amended to establish an account for these contracted services and to reduce other personnel and operating expenditures for food service; and

WHEREAS, ARAMARK will need until July 27, 2009 to begin operations after approval of a contract and has proposed guaranteed rates for each of three years based on current population levels; and

WHEREAS, The resulting contract was prepared for the period from July 27, 2009 through June 30, 2010 with the option to renew for two (2) additional one (1) year periods and

WHEREAS, The contract is prepared pursuant to Shelby County Purchasing Policies and Procedures in the amount not to exceed \$4,704,614.00 for FY10.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, That the contract with ARAMARK Correctional Services, LLC in the amount not to exceed \$4,704,614.00 for the management and provision of food services for the period July 27, 2009 through June 30, 2010 for the Division of Corrections is hereby approved and funds are appropriated from account no. 956-350105-6635, Contracted Food Services.

BE IT FURTHER RESOLVED, That the County Mayor is hereby authorized to execute the said contract on behalf of Shelby County Government for the purposes herein contained, an executed copy of which is to be placed on file in the Purchasing Department.

BE IT FURTHER RESOLVED, That the County Mayor is hereby authorized to execute annual renewals subject to satisfactory performance by the vendor, and subject to the annual appropriation of funds for each renewal term's corresponding Fiscal Operating Year by Shelby County Government. In the event sufficient funds for said Amendments are not appropriated by the Board of Commissioners for the fiscal periods relating to any new renewal term, then the Amendment will be terminated.

BE IT FURTHER RESOLVED, That the FY10 operating budget for the Corrections Fund are hereby amended as per exhibit A, which is attached to this resolution and incorporated herein by reference, and that funds are hereby appropriated as per the said exhibit.

BE IT FURTHER RESOLVED, That thirty-four (34) positions will be eliminated from the FY10 Corrections Fund budget after the July 27, 2009 implementation of the contract and that the Mayor and Director of Administration and Finance are hereby authorized to reduce the position control budget and related salary and fringe accounts against the lapse time restriction established in Exhibit A.

BE IT FURTHER RESOLVED, That the County Mayor and the Director of Administration and Finance are authorized to issue their warrant or warrants in the amount not to exceed \$4,704,614.00 for the purposes contained in this resolution and to take proper credit in their accounting therefore.

A C Wharton Jr., County Mayor

Date: _____

Attest:

Clerk of County Commission

ADOPTED _____

Shelby County Division of Corrections
Budget Amendment FY10

Exhibit A
Corrections Fund

Account No.	Description	Current Budget	Changes	Revised Budget
<u>Fund 956 - Org # 350102 Food Services - Selected Accounts</u>				
4340	State Reimbursement	(42,373,658.00)	334,833.00	(42,038,825.00)
			<u>334,833.00</u>	
<u>Fund 956 - Org # 350110 Food Services - Selected Accounts</u>				
5635	Lapse Time Restriction	(105,771.00)	(1,254,047.00)	(1,359,818.00)
6006	Apparel - Employees	12,000.00	(12,000.00)	-
6014	Custodial Supplies	25,000.00	(25,000.00)	-
6724	Maint Equipment	50,000.00	(50,000.00)	-
7009	Production Equipment	23,000.00	(23,000.00)	-
	Total Expenditures		<u>(1,364,047.00)</u>	
<u>Fund 956 - Org # 350105 General Services - Selected Accounts</u>				
6028	Food Purchases	3,730,000.00	(3,477,400.00)	252,600.00
6038	Kitchen & Dining Supplies	200,000.00	(198,000.00)	2,000.00
6635	Contracted Food Services	-	4,704,614.00	4,704,614.00
	Total Expenditures		<u>1,029,214.00</u>	
Combined Budget			<u>-</u>	